

***United States Court of Appeals  
for the Second Circuit***



**APPENDIX**





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**74-2457**

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**United States Court of Appeals**

For the Second Circuit.

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SAMUEL H. SLOAN,

Petitioner-Appellant,

-against-

SECURITIES & EXCHANGE COMMISSION,

Respondent-Appellee.

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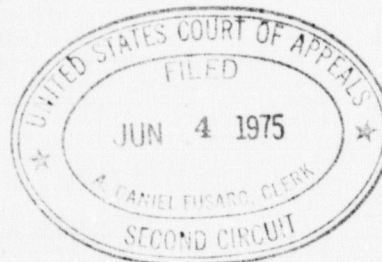
*On Appeal From The United States District Court  
For The Southern District Of New York*

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**Appellant's Appendix**

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Petitioner, pro se  
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(804) 384-1207



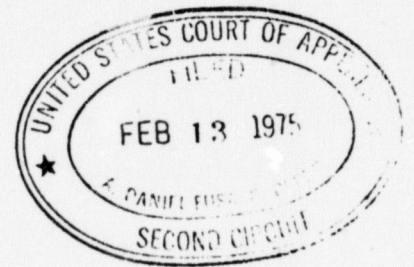
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UNITED STATES COURT OF APPEALS  
FOR THE SECOND CIRCUIT

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SAMUEL H. SLOAN,

Petitioner

v.

No. 74-2457

SECURITIES AND EXCHANGE COMMISSION,

Respondent

---

ATTESTATION

I hereby attest that documents 1, 3, 5, 7, 9, 11, 13, and 15 appended hereto are true and correct copies of documents reflecting the Commission's actions sought to be reviewed in this proceeding and that documents 2, 4, 6, 8, 10, 12, 14, and 16 attached hereto are true and correct copies of those portions of staff memoranda addressed to the Commission by its staff which set forth the facts which were before the Commission when those actions were taken.\* / In transmitting these documents to the Court the Commission does not concede that the actions complained of constitute "orders" reviewable in this Court pursuant to

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\* / Other portions of the memoranda contain the recommendations of the Commission's staff to the Commission and should this Court determine that the actions complained of in this proceeding are reviewable in the Court of Appeals, those recommendations would not constitute a part of the record of action to be reviewed.



- 2 -

Section 25 of the Securities Exchange Act of 1934, 15 U.S.C. 78y. The documents appended hereto are described as follows:

<u>Document No.</u>	<u>Description</u>
1	Notice of Suspension of Trading in the Securities of Canadian Javelin, Ltd., for the period November 29, 1973 - December 8, 1973, dated November 29, 1973.
2	Factual portion of Memorandum to the Commission from the Division of Enforcement <u>Re</u> Canadian Javelin, Ltd., dated November 20, 1973
3	Notice of Suspension of Trading in the Securities of Canadian Javelin, Ltd., for the period September 5, 1974 - September 14, 1974, dated September 4, 1974
4	Factual portion of Memorandum to the Commission from the Division of Enforcement <u>Re</u> Canadian Javelin, Ltd., dated August 30, 1974.
5	Notice of Suspension of Trading in the Securities of Canadian Javelin, Ltd., for the period September 15, 1974 - September 24, 1974, dated September 13, 1974.
6	Factual portion of Memorandum to the Commission from the Division of Enforcement <u>Re</u> Canadian Javelin, Ltd., dated September 9, 1974.

7

Notice of Suspension of Trading  
in the Securities of Canadian  
Javelin, Ltd., for the period  
September 25, 1974 - October 4,  
1974, dated September 24, 1974.

8

Factual portion of Memorandum to  
the Commission from the Division of  
Enforcement Re Canadian Javelin, Ltd.,  
dated September 20, 1974.

9

Notice of Suspension of Trading  
in the Securities of Canadian  
Javelin, Ltd., for the period  
October 5, 1974 - October 14, 1974,  
dated October 4, 1974.

10

Factual portion of Memorandum  
to the Commission from the Division  
of Enforcement Re Canadian Javelin,  
Ltd., dated September 30, 1974.

11

Notice of Suspension of Trading  
in the Securities of Canadian  
Javelin, Ltd., for the period  
October 15, 1974 - October 24, 1974,  
dated October 11, 1974.

12

Factual portion of Memorandum  
to the Commission from the Division  
of Enforcement Re Canadian Javelin,  
Ltd., dated October 8, 1974.

13

Notice of Suspension of Trading  
in the Securities of Canadian  
Javelin, Ltd., for the period  
October 25, 1974 - November 3, 1974,  
dated October 24, 1974.

14

Factual portion of Memorandum  
to the Commission from the Division  
of Enforcement, Re Canadian Javelin, Ltd.  
dated October 18, 1974.

15

Notice of Suspension of Trading  
in the Securities of Canadian  
Javelin, Ltd., for the period  
November 4, 1974 - November 13, 1974,  
dated November 1, 1974.



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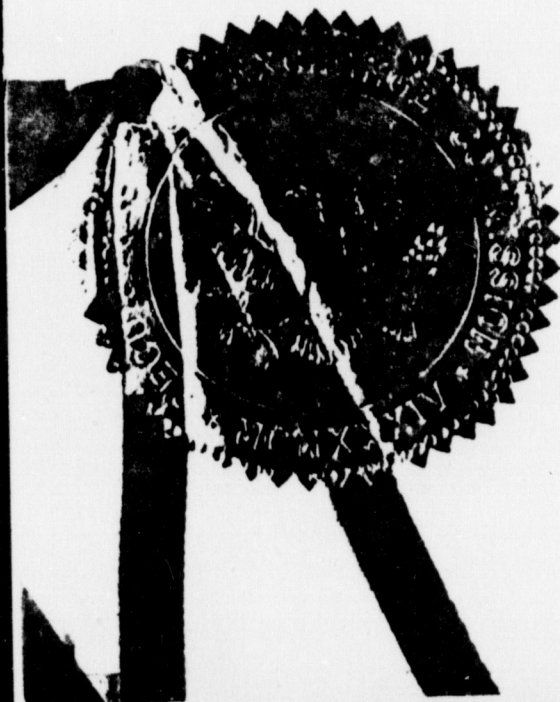
Factual portion of Memorandum  
to the Commission from the Division  
of Enforcement Re Canadian Javelin  
Ltd., dated October 29, 1974.

*Charles A. Moore*

Dated: FEB - 7 1975

Charles A. Moore  
Records Officer

Securities and Exchange Commission  
500 North Capitol Street  
Washington, D.C. 20549



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UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION  
NOV 29 1973

In the Matter of Trading in Securities

of  
CANADIAN JAVELIN, LTD.

File No. 500-1

Securities Exchange Act of 1934  
Section 19(a)(4) and 15(c)(5)

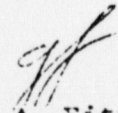
NOTICE OF  
SUSPENSION  
OF TRADING

The common stock of Canadian Javelin, Ltd.  
being traded on the American Stock Exchange  
pursuant to provisions of the Securities Exchange Act of 1934 and  
all other securities of Canadian Javelin, Ltd.  
being traded otherwise than on a national securities exchange; and

It appearing to the Securities and Exchange Commission  
that the summary suspension of trading in such securities on such  
exchange and otherwise than on a national securities exchange is  
required in the public interest and for the protection of investors;

THEREFORE, pursuant to Sections 19(a)(4) and 15(c)(5) of the  
Securities Exchange Act of 1934, trading in such securities on the  
above mentioned exchange and otherwise than on a national securities  
exchange is suspended, for the period from 3:15 p.m. (EST) November 29,  
1973 through midnight (EST) December 8, 1973.

By the Commission.

  
George A. Fitzsimmons  
Secretary




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MEMORANDUM

FILE NO.: HO-521

DATE: November 20, 1973

TO : The Commission

FROM : Division of Enforcement 

RE :

DATE FILED :

AMENDED :

SUBJECT : Canadian Javelin Limited (1-4192)

RECOMMENDATION:

Summary and Background

Canadian Javelin ("CJV"), an Amex company, and its principal officer, John C. Doyle ("Doyle") are no strangers to Commission enforcement activities. As set out more fully in subsequent paragraphs, CJV and Doyle were enjoined from registration and anti-fraud violations in 1958 and Doyle pled guilty to a Section 5 violation in 1965. He will not enter the United States where he is currently a fugitive from justice having jumped bail after his conviction and sentencing.

This current enforcement recommendation is based primarily on numerous false and misleading press releases concerning CJV's mineral concessions in Panama. The proposed action also charges violations of the anti-fraud provisions with respect to CJV's Newfoundland project and a Section 5 violation with respect to all securities issued and outstanding by CJV. Consistent with its past activities, CJV's present flurry of releases contains many false and misleading statements concerning its right to exploit the copper mineralization of CJV's holdings in Panama, including the financing and the economic feasibility of the proposed production.

As will be seen, the releases have accompanied the dramatic rise in the price of CJV's common stock from 7 1/4 on July 6, 1973 to a high of 18 on September 14, 1973.

As CJV maintains no office in the U. S., reportedly "carries on no activity within the United States" and has no officers in the United States, the staff has been unable to clearly ascertain in the exact nature of CJV's latest activities. Moreover, Doyle, who runs CJV, refuses to come to the U. S. or even give the staff a sworn deposition outside the U. S. The evidence available to the staff at the present time, however, mandates the maintenance of the present enforcement action. It is anticipated that once the action is instituted, the discovery process under the Federal



Rules of Civil Procedure will be implemented to further ascertain the true nature of CJV's far-reaching activities. <sup>1/</sup> Furthermore, the Royal Canadian Mounted Police (RCMP) is conducting an extensive investigation of CJV's Newfoundland linerboard project in relation to alleged political corruption in that province. We are told that evidence from that investigation will be made available as soon as any charges are laid.

The Proposed Defendants

Canadian Javelin Limited is a Canadian corporation with its executive offices located in Montreal, Canada. Through its subsidiaries and affiliates it is engaged primarily in the business of locating and developing mineral and other natural resources. It reports that all of its activities are carried on outside of the United States. Although CJV's primary source of revenue is derived from iron ore royalties, its current focus of attention is on a potential copper mine in Panama. It has other mineral interests in Ethiopia, Mexico, El Salvadore, Chile and Newfoundland. The company reports assets of approximately \$79 million as of June 30, 1973 and has approximately 6.5 million shares of common stock outstanding. The stock is traded on the American, Montreal and Vancouver Stock Exchanges. The company also reported 12,718 shareholders of record as of December 30, 1972; approximately 75% of those shareholders are United States residents.

John Christopher Doyle, CJV's founder, is a director and chairman of its Executive Committee. He owns 20% of its outstanding stock, and as CJV's chief executive officer, dominates its policies. He is a Canadian citizen currently residing in Montreal and Panama. Doyle controls Hoteles Interamericanos S.A. which owns and operates the Hotel El Panama.

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<sup>1/</sup> Under the FRCP and applicable Canadian law, for example, we may be able to compel discovery in Canada whereas this would be impossible with administrative subpoenas. . . .

William M. Wismer, a Canadian citizen, is president of CJV. A lawyer and Queens Counsel, he has been with CJV since 1967. Until 1972 he was also a vice president and a director of Draper, Dobie & Company Limited of Toronto, a broker-dealer in securities. He has been vice-president of the Toronto Stock Exchange, general counsel and secretary to the Broker Dealers Association of Ontario and on the legal staff of the Ontario Securities Commission. It appears that Wismer is largely a figure head for Doyle to hide behind. Most releases, although likely written by Doyle, are signed by Wismer.

#### THE PANAMA PROJECT

##### Background

CJV, through subsidiary companies, has agreements with Panama which grant it certain mineral rights in an area of Panama known as Cerro Colorado (Red Mountain). CJV has apparently located large amounts of low grade copper deposits. Massive amounts of capital will be needed, however, to bring the project into production. To accomplish this a number of serious problems must be solved. The question of economic feasibility is the subject of a study which allegedly is being undertaken for the company by Wright Engineers Limited, Canada. Among the obstacles to overcome before production is possible are: limited access to the deposit area, construction of production facilities, need for huge power supply capacities, lack of shipping facilities, disposal of huge amounts of waste materials, and lack of an adequate water supply. Doyle has previously stated that \$560 million is needed to finance the project. The proposed project has been compared in size to the building of the Panama Canal, and CJV estimates that operation of the mine will require 40 million gallons of water per day and more electricity than the present total capacity of Panama.



Early Promotion of Panama Project Exploration Activities

CJV apparently began promoting its Panama prospects in 1969. A press release dated May 2, 1969 reported the opening of an engineering and exploration office in Panama. On October 22, 1969 it announced that an associated Panamanian company, Oltenia S.A., was awarded a 240,801 acre mineral concession for the exploration of copper occurrences in Panama. In October 1970 the company issued a release announcing that Pavonia S.A., another Panamanian affiliated company, was high bidder for a mineral concession in the Cerro Colorado area. The full circumstances concerning Doyle's connection with the formation of Oltenia and Pavonia have never been disclosed. We suspect that it was "politically" necessary to involve Panamanians in this way in order to acquire the concessions, although CJV will not admit this.

Oltenia, S.A. and Pavonia S.A. are both Panamanian companies which were formed by Eduardo Alfaro, Doyle's Panamanian attorney and president of Doyle's Hoteles Interamericanos, S.A. Alfaro was president of both companies and the only shareholder of record.

In January 1971, Bison Petroleum & Minerals Limited, a 61% owned subsidiary of CJV announced that it signed a mineral sub-concession with Oltenia, S.A.<sup>1/</sup> The release stated that the concession covered a 62,754 acre area abutting the western boundary of CJV's Cerro Colorado concession on which large scale discoveries of porphyry copper and molybdenum have been made. It stated that the discoveries at Cerro

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<sup>1/</sup> At the present time, Bison Petroleum and Minerals Limited owns 66 2/3% of Oltenia S.A.'s common stock and CJV owns 33 1/3%.

Colorado appear to run into hundreds of millions of tons which would place it among the world's major copper deposits. It also said that numerous veins of silver, lead, zinc, and barites were discovered in the Cerro Colorado area.

In April 1971 in response to our then current trading suspension CJV issued a press release detailing its interest in the Cerro Colorado project and describing its association with Pavonia S.A. The release stated the company had held an option to acquire the shares of Pavonia since May 1969, and that by letter dated November 12, 1970 the company had advised Pavonia that it was exercising its option. The consideration for the Pavonia shares appears to have been \$150,000 cash and 135,000 shares of Canadian Javelin then worth approximately \$10 per share. The release explained further that Pavonia was owned entirely by Panamanians, none of whom were connected with CJV except for its president, Eduardo Alfaro, who is one of the company's Panamanian attorneys. The release also referred to unconfirmed favorable exploration reports concerning the Cerro Colorado project and said that such reports were premature and could not be relied upon. It said, however, that it was encouraged by exploration to date but that additional work must be done before conclusions could be stated. It did not indicate that the Bison Petroleum release in January 1971 discussed above was the obvious source of many of the premature reports. <sup>1/</sup>

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<sup>1/</sup> As noted infra, this same sequence of events (of CJV causing Bison to issue premature and inaccurate releases and when and if caught then to to issue a clarifying release) occurred again in the Summer-Fall of 1971.



During the next two years the company issued numerous press releases, shareholders letters, and other reports describing its exploration results in Panama in highly optimistic terms. Maps of the area, technical reports, reprints from mining trade magazines, and folders containing brightly colored pictures of the area were prepared by the company and sent to shareholders. New discoveries in the areas under exploration, extensions of the areas being explored, results of feasibility tests by independent consultants and other developments, however insignificant, were constantly brought to the attention of shareholders and the public.

The concession rights granted by Panama pursuant to which CJV was exploring, may have granted rights to CJV to exploit its discoveries in accordance with Panamanian law. CJV reported in its 1972 Annual Report to Shareholders that its "existing agreements with the (Panamanian) Government provide for exploitation under the mineral code. Both parties have agreed that due to the extraordinary size and nature of the Cerro Colorado deposits a special contract is desirable and this is currently being negotiated."<sup>1/</sup> Apparently, during these negotiations, on June 20, 1973 Fernando Manfredo, Panama's Minister of Industries and Commerce, suddenly announced that Panama was considering a new mining code and that talks between the government and CJV relating to a copper mining concession were being postponed pending completion of the legislation. The announcement led to a suspension of trading on the Amex pending clarification of the announcement. The company's press releases since June 20, 1973, constituting the prime focus of the proposed action are analyzed in subsequent paragraphs.

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<sup>1/</sup> This same information has not been reported in any filings with the Commission.

Analysis of Recent Press Releases  
Relating to Panama Project

Release of June 22, 1973

This release, issued at that time to allow trading to continue on the Amex, was an apparent response to the June 20, 1973 statement reported in Reuters by Manfredo, Panama's Minister of Industries and Commerce, that Panama was drawing up a new mining code, and that talks with CJV about a copper mining concession were being postponed pending completion of the legislation.

The release quotes Doyle as stating that "Minister Manfredo's statement made it clear and confirmed that the company has delineated one of the world's largest copper mines," thus creating the impression that the government concurred with CJV in its findings. In fact, however, according to Reuters, "the Minister said that although Javelin International had a 'good' deposit, he does not have sufficient data to support the Company's claim that it is 'the greatest deposit in the world.'"

Doyle stated that "the company is now moving from the exploration state to that of construction." In fact, however, no construction, except that incidental to exploration, was planned or initiated. The company had not even located a source of financing of the magnitude necessary to bring the project into production. Previous estimates by Doyle himself placed this figure at approximately \$560 million. Furthermore, it had been previously acknowledged that other companies



will be needed to participate in the project because of CJV's limited resources and capabilities. Considering CJV's present financial status, it is highly doubtful if any meaningful construction could be begun without outside financing. Without this information the statement is misleading because it could be interpreted as a clear indication that the planning and financing aspects of the project have been completed and that "construction" was imminent. The cloud of doubt placed on the project by the Minister's announcement of pending changes in the mining code also makes any such reports of advanced progress on the project highly misleading.

Doyle's further comment that "In no way has the government suggested that the burden on the company would be heavier than that provided under the present exploration contract that assures the company's rights to exploit the copper under the present Mineral Code" is also incorrect and grossly misleading. It is not clear that the company has exploitation rights under the present contract. The staff of the Commission has been advised by CJV (who cite Panamanian attorney Alfaro) that exploitation rights exist. However, in addition to the fact that Minister Manfredo indicated that such rights were being negotiated and that the negotiations were being postponed, evidence received from American Embassy personnel in Panama contradicts such a clear conclusion. Embassy officials quote sources, some of whom include CJV and government

employees, refuting the existence of such rights. That such a basic question exists shows the complete inadequacy of CJV's filings with the Commission. The New York Times, in an article dated November 19, 1973 for example quotes Manfredo as saying that CJV "simply has the rights to drill holes in the area but not a concession for exploiting any mineral found there." At no time since June 1973 has CJV filed any document with the Commission in an attempt to clarify the public record and specifically delineate its rights. The Minister also said that "the legislation might have unusual provisions, one of which would require a government observer, with a right to speak, on the board of any mining company in Panama. Another provision may require periodic revision of any concession contract between the Government and a company, possibly every five to eight years." Such requirements could clearly be considered as additional burdens.

Doyle referred to a much anticipated feasibility study which is reportedly being conducted by Wright Engineers Limited. He said the study (once forecast to be Published in January 1973) was scheduled to be completed in August 1973, and that shortly thereafter the company expected to be ready with the financing and marketing to enable the establishment of a mining and milling installation. Again the statement appears to indicate that the project is in a fairly well advanced stage when, in fact, production is a long way from reality. Even at this date, the staff is not aware of the completion of this study, although we have been assured over a period of months that the report is imminent.



Release of July 5, 1973

On July 5, 1973 Bison Petroleum & Minerals Limited, a 60.7% owned subsidiary of CJV, issued a press release announcing that Pavonia S.A., a wholly-owned subsidiary of CJV, had been granted a new separate mineral concession "known to contain gold, silver and other metals" by the Panama government and had assigned the concession to Bison.

On October 25, 1973 the Wall Street Journal reported that it had investigated the matter and found that the Panamanian Government had not, in fact, granted the concession. Trading in CJV was halted on the AMEX at the request of CJV and on October 29, 1973 the company issued a press release admitting its error in claiming that it had a concession.<sup>1/</sup> It explained that the announcement was premature. The company has apparently applied for the concession but it has not been awarded by the Government. The award of the rights is reportedly being delayed until certain statutory conditions are met by the company.

The circumstances surrounding the controversy involving the July 5, 1973 release further illustrate the difficulty the staff has been encountering in trying to ascertain the true facts about CJV's activities. As referenced earlier another premature announcement occurred in substantially the same fashion in April 1971. CJV's propensity for premature announcements, exaggerations, and misleading statements is long established. In fact, for a period of time CJV submitted all press releases to the staff for comments prior

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<sup>1/</sup> Amex immediately stopped trading until pending clarification by the company of the situation. Trading has not yet resumed as of the date of memorandum.

to announcement. The arrangement was discontinued, however, when the company repeatedly ignored staff suggestions. It should also be noted that the staff issued a subpoena on October 11, 1973 for all press releases issued by CJV and its officers or representatives during the period beginning July 1, 1972 through the date of the subpoena. The July 5, 1973 Bison press release was not included in the material submitted by the company in response to the subpoena.

Release of July 17, 1973

This release announced that Doyle and Peter LaRush (vice president of Pavoña S.A. and in charge of the Cerro Colorado copper program) had a conference with the Chief of Government, General Torrijos, and some of his advisers relative to the project. The release said that Torrijos advised them that the government would form a committee to negotiate the details of a contract which would provide the legal and economic framework for placing the Cerro Colorado project into production as soon as possible.

It was stated that the government officials were provided with an outline of the company's basic program including:

- a. The establishment of a mine, mill, smelter and refinery.
- b. That pricing for civil works, structures, and mechanical equipment had been completed and that final plans would be in hand during the first half of August 1973.



- c. The completion and extension of the heavy duty road under construction.
- d. That, after extensive consultations with independent engineers and copper experts, major consumers were in accord with a plan to produce copper thereby enabling completion of necessary sales and financing arrangements, and that sufficient technical and necessary staff could be obtained through association with major companies that desire association.

State Department sources indicate, however, that Torrijos was somewhat more reserved than reported by CIV. In fact, Torrijos stated that he thought it would be better in the long run "if the company patiently waited (sic) through the red tape of reviews and approvals by Government bodies as required by the Constitution." The release, therefore, is misleading as it indicates Torrijos is taking steps to expedite the project, when in fact he is not. Furthermore, the release while reporting a rather insignificant matter ranges far afield into future developments. It fails to disclose, for example, that no commercial feasibility study exists, therefore, making any "plans to produce copper" premature and indefinite.

The release fails to state that "as soon as possible" may be light years away. As aforesaid, the entire project depends upon an exploitation contract and massive financing neither of which exist. The release in emphasizing "completion of the necessary sales and

financing" arrangements omits to disclose that such arrangements are far from completion and in fact are at the larval stage of development.

Doyle on this same date in a telephone conversation with and as reported by the Wall Street Journal stated that construction of production facilities was to begin in August. He also indicated that preliminary financing agreements had been signed. These statements are also misleading for the same reasons discussed above.

Release of August 31, 1973

Wisner announced that final reports on the company's Cerro Colorado copper discoveries in Panama had been received from two internationally recognized geological consultants. He said the reports were the basis for financial negotiations and were also used to finalize arrangements for the sale of the product of the mine.

These statements are highly misleading. The company did not have final arrangements to sell the product of the mine. At best its sales program was at the preliminary negotiation stage. In fact, almost three weeks later on September 19, 1973, the company issued a press release which referred to a letter of intent to negotiate a purchase contract with potential buyers. The wording and clear intention of the release are directed toward the finalization of plans to sell the copper. In truth, at that time it is highly doubtful that CJV had the right to mine the copper and did not even begin to negotiate the sale of the copper. It was some three weeks after the date of this release. The other party in that negotiation recognized that such negotiations were in a preliminary stage.



Furthermore, it may also appear from the statement that financing for the proposed mine had been obtained. This is not the case. As later releases indicate, in connection with such financing, discussions with banks had merely been initiated.

Release of September 6, 1973

Wisner states that a famous world-wide mining group "led by Anglo American Corporation of South Africa Limited, which includes DeBeers Consolidated, is now the second largest shareholder in CJV." It states further that serious negotiations are proceeding with this group regarding their participation with CJV in the management and development of the "giant" Cerro Colorado copper properties of CJV in Panama, as well as other CJV holdings. The release also states that the company has had negotiations with other major corporations on the matter, and that letters of intent covering offers of financing having been proffered to CJV as well as assurances of long-term sales contracts. The release states further that CJV has determined to smelt the Cerro Colorado copper ores into metal in the Republic of Panama.

The statement in the release that "the famous world-wide mining group led by Anglo-American Corporation of South Africa Limited which includes DeBeers Consolidated, is now the second largest shareholder

is Canadian Javelin Limited" is simply untrue. The world famous mining group referred to did not buy any CJV stock. DeBeers Consolidated did not buy any stock. Only Anglo-American Corporation purchased the stock.

This part of the release demonstrates CJV's capacity for making untrue statements of material facts. Although Anglo-American is affiliated with DeBeers, and there may be a famous worldwide mining group neither of those purchased any CJV stock. CJV's release is patently touting the interest of those firms. DeBeers was requested on August 30, 1973 to confirm its participation in CJV and replied by letter dated September 14, 1973 that it had "no interest in Canadian Javelin, Limited or any properties under development by that company."

The statement in the release that "Letters of Intent covering offers of financing have been proffered to Canadian Javelin as well as assurances of long-term sales contracts" apparently refers to documents similar to the British Kynoch letter of intent (described in the following discussion) and omits to disclose certain material factors, particularly the massive financing needed, the actual status of the project, and the nature and extent of the many problems which must be overcome before the product to be sold can be produced.

The release further stated that "Javelin has determined to smelt the Cerro Colorado ores into metals in the Republic of Panama". This is directly contrary to a statement recently made by Doyle to the American Embassy in Panama in which he indicated that smelting would be done in the United States rather than locally. The staff was informed by the Department of State in September 1973 that Doyle called Mr. Gordon Daniel...



Acting Deputy Chief of Mission at the United States Embassy in Panama to provide information on the Cerro Colorado project. The call was apparently made in anticipation of an Embassy inquiry into the project connected with the possible financing of the project by the Export-Import Bank of the United States. We learned later from the Export-Import Bank that Brown & Root, a large U.S. engineering firm, was interested in supplying CJV with certain mining equipment and had opened preliminary discussions with the Bank on behalf of CJV for financing. It is highly likely that the company was deliberately misstating its intentions as to where the smelting would take place in order to make the project more appealing to U.S. interests. At best, it is unclear where the smelting would take place.

Release of September 19, 1973

Wisner announced in this release that CJV and certain large European industrial complexes, through a subsidiary company called British Kynoch Metals Limited, have mutually signed a "Letter of Intent relating to the purchase of the entire initial output of metallic copper (blister) of Javelin's Cerro Colorado copper project in the Republic of Panama."

The release further states that the agreement is to be extended to the output of the project as subsequently developed and that the understanding provides for assistance by British Kynoch Metals Ltd., on behalf of its principals, in obtaining financing for the project.

states that discussions with banks in Europe have already been initiated on the basis of which it is believed by the parties that the entire loan financing for the project can be obtained. It also states the intended purchase contract is to be used as security for the loan.

The release is misleading, because it does not disclose that the "Letter of Intent" referred to is an agreement only to negotiate the purchase of the copper. It is not an agreement to purchase. The release leaves the impression that CJV has arranged to sell the entire output. The letter of intent does not relate to the purchase of copper, it relates only to an intent to negotiate future arrangements.

The release omits to disclose that the production of the metallic copper (blister) which will be negotiated is no where near reality. The reported copper deposits are located in mountainous terrain in a remote area of Panama. Huge outlays of capital will be required to even establish sufficient access to the deposits so that they can be mined. Then, the deposits must be put through a process known as "concentrating" before they can be smelted into blister. The facilities and power sources to conduct these operations do not exist. Massive financing will be needed to overcome many major obstacles such as labor, water supply, communications, housing, shipping facilities, and methods of disposing of waste products.



The release omits to disclose that the Government of Panama is currently formulating certain mining legislation which may adversely affect the project. The legislation reportedly is nearing completion but not until its provisions are known and assessed can this factor be considered and its impact on any anticipated financing be evaluated.

The statement in the release that "it is believed by the parties that the entire loan financing for the project can be obtained" is misleading in that it omits to disclose the massive amounts of financing required. Previous company estimates reportedly referred to a figure of \$560 million to place the property into production. Furthermore, the fact that a not yet negotiated purchase contract, the terms of which are unknown, will be used as security for all of the required financing makes such discussion (implying that sources of financing have been located) highly premature, particularly when such huge sums are involved. A reply letter from Kynoch affirms the prematurity of such an arrangement.

The release omits to disclose the entire contents of the Letter of Intent particularly all of the many precepts upon which the agreement is based, including the certain items which appear to make the Letter of Intent even more questionable in significance.

The letter, for example, states that Pavonia S.A., a wholly-owned subsidiary of CJV, owns the rights to exploit the copper deposits in question. As stated earlier, the existence of such rights is highly speculative. Apparently CJV can only explore, not exploit.

ONLY COPY AVAILABLE

- 20 -

The letter also refers to a "feasibility study" which is to be conducted at the expense of CJV and is expected to be completed in September 1973. To date the staff has not been able to ascertain that such a study has been completed.

Recent Letters to Shareholders Relating to Panama Project

The company mailed letters to shareholders containing information as to the Panama project on June 27, 1973 and again on September 19, 1973. The June 27, 1973 letter merely transmitted the text of the company's June 22, 1973 press release. The September 19, 1973 shareholder letter incorporates the September 6, 1973 and the September 19, 1973 press releases. The same comments made in this memorandum relative to the press releases have equal application to the shareholder letters.



Effect of Press Releases and Shareholder Letters Upon Price and Volume of Company Shares Traded

General Summary of Recent Trading Activity

The shares of CJV are actively traded on the American Stock Exchange. During the first six months of 1973 the price of the shares fluctuated from a low of approximately  $5 \frac{7}{8}$  to a high of approximately  $9 \frac{1}{2}$ . On Friday, July 6, 1973, the shares were last traded at  $7 \frac{1}{4}$ .

During the week ended July 13, 1973 the shares were very active and closed at  $9 \frac{7}{8}$ , a gain over the previous week of  $2 \frac{1}{2}$ . During the following two weeks the shares were again active and rose in price an additional  $3 \frac{1}{2}$  points closing on Friday, July 27, 1973, at  $13 \frac{3}{8}$ . In addition to the July 5 and July 17, 1973 press releases issued by the company, the spurt in price and activity is also believed to be related to large volume purchases of the stock by Anglo American Corporation of South Africa, Limited.

During August 1973 the stock did not vary greatly in price, closing on Friday, August 31, 1973 at 13. During the following two week period in which the August 31, 1973 and the September 6, 1973 press releases were issued, the stock was extremely active and rose five points, closing on Friday, September 14, 1973, at 18.

During the following two weeks, the shares were again heavily traded and closed on Friday, September 28, 1973, at  $15 \frac{3}{4}$ , having lost  $2 \frac{1}{4}$  points. The company's September 19, 1973 press release appears to have been somewhat mitigated by the fact that the Dow Jones news service added to its recitation of the release that Doyle had previously

stated that placing the Panama property into production would involve a capital outlay of roughly \$560 million. The press release prepared by CJV had merely stated that "it is believed that the entire loan financing for the project can be obtained" and omitted to disclose the huge sums involved.

During the nine month period ending September 30, 1973 approximately 2,400,000 CJV shares were traded on the Amex at prices ranging from 5 7/8 to 18. It is significant that of this total approximately 1,800,000 shares (or 75%) were traded during the 3 months ending September 30, 1973 during which period most of the press releases in question were issued.

#### Other Violative Conduct

##### 1. Past Patterns of Activity

The build-up of the Panama project is consistent with past patterns of CJV's activities. An earlier Labrador iron-ore project and a Newfoundland wood-harvesting project both were accompanied by similarly enthusiastic touting. Although royalties from the Labrador project now provide the company with its major source of revenue, the project never did meet the optimistic representations previously implanted by company statements. The company is currently operating at or near the break-even point and has never made any substantial profits. Illegal stock sales through boiler-room activities accompanied by fraudulent statements concerning the Labrador project led to the 1958 Commission injunctive action against the company.



The company was ousted from its Newfoundland wood-harvesting project by a new provincial government in 1971 but promptly did an about face and issued a number of statements as to the overall negative aspects of the operation after having long touted it as a great boon.<sup>1/</sup> For example, CJV had earlier reported to shareholders that the forest holdings associated with that project "would appear to be the second largest in the North American pulp industry," and that company management had confidence that "the profits from this division of your company will be above average for the paper industry." It also referred to the proposed production facility as "one of the world's largest linerboard plants." It reported test results which indicated a product of the project (linerboard) "with strength properties even greater than those of the best Scandinavian products and those of North America." After the government takeover of the Newfoundland project CJV reported to shareholders that "This sale brought about a restructuring of the Company's organization and resources, enabling it to reduce the cost of operations, improve its liquidity and eliminate long-term indebtedness of in excess of one hundred million dollars." It also said that "The sale of the project should enable your Company to concentrate and accelerate mineral exploitation and development of its many properties," and that "a major divergence from Javelin's mineral business of explorations, discovery and development of mines was terminated."

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1/ This entire Newfoundland situation is the subject of an intense investigation by the RCMP who are investigating allegations of political corruption within that province. While our primary focus will be on the Panamanian situation, the Newfoundland situation has such a total "air" that we will place our case broadly so as to allow any evidence to be admitted that is developed from civil discovery or from evidence presented to us by the RCMP. The RCMP has requested that we not attempt to obtain their evidence until they make public their charges.

2. False Financial Statements

In ousting the company from the Newfoundland project, the Government agreed to purchase all of the assets of the project and to reimburse CJV for certain expenditures made by the company directly related to the project. Under the reimbursement provision the company is claiming that the government is required to pay CJV an additional \$4.3 million. That amount has been reported as a current asset in its 1972 Annual Report to Shareholders containing certified statements as of December 31, 1972, its Form 10-K for fiscal year 1972, and in its Forms 10-Q for the quarters ended March 31, 1973 and June 30, 1973 respectfully.

The item should not have been reflected as a current asset and it is highly likely that it should not even have been reflected as an asset because its collectibility is very improbable. An official of the Government of Newfoundland and Labrador stated in a letter dated October 18, 1973 to the staff that the Government does not recognize the claim and has repeatedly so notified the company. The Government notified the company by letter dated December 18, 1972, of its position. CJV, therefore, was at least aware of the Government's position, although this is not even mentioned in CJV's filings. Furthermore, the Government stated in its letter of October 18, 1973 that as of that date, CJV had not begun to take the formal legal steps necessary to begin the arbitration process to establish their right to be paid the claimed amount.



As will be explained in the following discussion, the reporting of the disputed claim is material in that it greatly enhances the appearance of the company's working capital position at a time when CJV was making an unregistered offering of its securities reportedly outside of the United States and attempting to obtain massive financing for the Panama project.

### 3. Sale of Company Debentures

The company reported in its Form 10-Q for the quarter ended June 30, 1973 that during the period, the company sold \$6.5 million of Series B convertible debentures. There is some confusion as to whether or not such securities were offered to the public or privately placed.<sup>1/</sup> The securities were not registered with the Commission although the underlying shares were listed on the Amex. Regardless of the method in which the debentures were distributed, CJV's March 31, 1973 and December 31, 1972 financial statements were false and misleading. The March 31, 1973 financial statement would have reflected a deficit working capital position without \$4.3 million erroneously reported as a current asset, and the December 31, 1972 financials would have reflected a working capital position of approximately \$700,000 instead of the approximately \$5 million shown. The circumstances concerning this sale have yet to be fully disclosed by CJV.

### 4. Unregistered Sales

CJV has never registered pursuant to the Securities Act of 1933 any of its securities with the Commission. Nevertheless, there are reported to be

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<sup>1/</sup> We have been informed by counsel and the Amex that these debentures were sold outside the U. S., although there has not been any disclosure to that effect.

approximately 6.5 million shares outstanding in the hands of approximately 12,000 shareholders of record, 75% of whom are U. S. residents. The circumstances under which many, if not most, of these shares were issued raise substantial questions as to whether registration was required, and if not, what exemptions were relied upon by CJV. In view of CJV's history of dealing through vague foreign subsidiaries and affiliates, i.e. Pavonia and Oltenia in Panama and similar entities in Newfoundland, Ethiopia and elsewhere, it is highly probable that many of the shares and dollars involved in numerous transactions found their way into the insiders hands. A court appointed receiver will aid substantially in obtaining the facts regarding these mysterious transactions ranging to all four corners of the globe and in requiring CJV to account for the issuance of its outstanding shares.

Moreover, not to be overlooked is the fact that CJV's earnings cannot possibly support any of CJV's ambitious future plans and thus it is expected that more securities will be issued, either equity or debt. Such an issue is presumably being proposed in Europe. Furthermore, the Government of the United States, through the Export Import Bank, has been approached to provide financial backing for the Panamanian project.

Accordingly, we propose to charge CJV with a blanket violation of Section 5 and thus shift the burden to them to account for their securities sales and any applicable exemptions that have been relied upon.



Conclusion





*Orig. 8/23  
J. J. ... 9/2*

MEMORANDUM

FILE NO.: 1-4192-S

DATE: August 30, 1974

TO : The Commission

FROM : Division of Enforcement

RE : Canadian Javelin, Ltd.

DATE FILED :

AMENDED :

SUBJECT : Trading Suspension

RECOMMENDATION:

The Commission initially suspended trading in the securities of Canadian Javelin, Ltd. ("CJV"), listed on the American Stock Exchange, on November 29, 1973, the day a civil injunctive action was filed in the Southern District of New York against CJV, John C. Doyle ("Doyle") and William Wismer ("Wismer"). The current suspension period terminated on September 4, 1974.

The Commission in its complaint alleged that the defendants have engaged in certain conduct in violation of the registration provisions of the Securities Act and have made false and misleading statements and have filed false and inaccurate documents with the Commission in violation of the Exchange Act. The gist of the complaint, as it relates to the anti-fraud counts, alleges that the defendants have made numerous false and misleading statements in a series of press releases and statements concerning a C.J.V. copper project located in the Republic of Panama and its prior linerboard project located in Newfoundland, Canada. The complaint also sought the appointment of a special receiver and other ancillary relief.

On July 17, 1974 final judgements of permanent injunction were entered against CJV and Doyle enjoining them from violations of the anti-fraud and reporting provisions of the federal securities laws and enjoining them from violations of the registration provisions of the Securities Act of 1933.

In addition, the Court ordered a stipulation to be entered against Wisner, ordering him not to violate the anti-fraud and reporting provisions of the federal securities laws and from violating the registration provisions of the Securities Act of 1933.

In addition, the judgements entered by the court provide, among other things, that: that the board of directors of CJV shall consist of at least 40% outside independent directors who shall meet certain criteria satisfactory to the Commission, that CJV shall establish a standing compliance committee, a majority of which shall consist of the independent outside directors. The standing committee shall pass on all information disseminated to the public. CJV shall further designate a public information officer who shall be responsible for the dissemination of all information for CJV, that CJV name a special outside counsel satisfactory to the Commission, that CJV file within 60 days, or at such a later time as the Commission may permit all necessary reports and all amendments and supplements to such reports on file as may be required.

As of this date there has been no correction of the false filings or correction of misleading statements made as alleged in the Commission's complaint and thus the filings of CJV still remain incomplete and contain inaccurate information. However, CJV met with the staff on August 23, 1974 and provided the staff with financial statements which are presently being reviewed.

As the Commission may recall, Javelin has failed to file its Form 10-K for the fiscal year ending December 1, 1973. On April 1, 1974, Javelin filed parts of the information required by Form 10-K but without certified financial statements. Counsel for Javelin has informally advised the staff that in light of the Commission's lawsuit and Mr. Doyle's arrest in Canada for allegedly defrauding Javelin, that Javelin's independent accountants have discovered certain unexplained items relating to the Panamanian project. Counsel has advised that it appears that the auditors are questioning the 6.5 million dollars allegedly expended by Javelin to construct a road in Panama. The principal contractor for the road project was a Bahamian corporation believed to be affiliated with John C. Doyle. As of this time it appears that perhaps the road cost somewhat less than \$6.5 million and that a substantial sum of money was diverted to others.



FEDERAL REGISTER  
COPIES DELIVERED

9-5-74

UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION  
SEP 4 1974

500-1 R/A  
SECURITIES & EXCHANGE COMM.  
MAILED FOR SERVICE

SEP 05 1974

CITD NO

310484

310485

810496

In the Matter of Trading in Securities :

of  
CANADIAN JAVELIN, LTD. :

File No. 500-1 :

NOTICE OF  
SUSPENSION  
OF TRADING

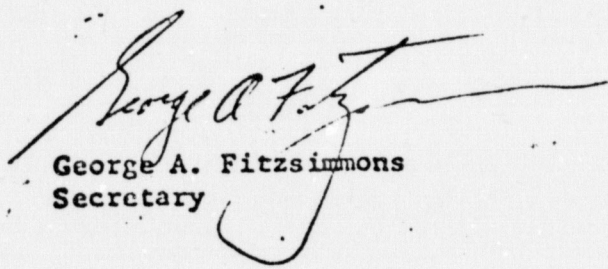
Securities Exchange Act of 1934  
Section 19(a)(4) and 15(c)(5) :

The common stock of Canadian Javelin, Ltd.  
being traded on the American Stock Exchange  
pursuant to provisions of the Securities Exchange Act of 1934 and  
all other securities of Canadian Javelin, Ltd.  
being traded otherwise than on a national securities exchange; and

It appearing to the Securities and Exchange Commission  
that the summary suspension of trading in such securities on such  
exchange and otherwise than on a national securities exchange is  
required in the public interest and for the protection of investors;

THEREFORE, pursuant to Sections 19(a)(4) and 15(c)(5) of the  
Securities Exchange Act of 1934, trading in such securities on the  
above mentioned exchange and otherwise than on a national securities  
exchange is suspended, for the period from September 5, 1974 through  
September 14, 1974.

By the Commission.

  
George A. Fitzsimmons  
Secretary

File 9/9  
for Tues. 9/10

## MEMORANDUM

FILE NO.: 1-4192-3

DATE: September 9, 1974

TO : The Commission

FROM : Division of Enforcement

RE : Canadian Javelin, Ltd. *Run*

DATE FILED :

AMENDED :

SUBJECT : Trading Suspension

### RECOMMENDATION:

The Commission initially suspended trading in the securities of Canadian Javelin, Ltd. ("CJV"), listed on the American Stock Exchange, on November 29, 1973, the day a civil injunctive action was filed in the Southern District of New York against CJV, John C. Doyle ("Doyle") and William Wismer ("Wismer"). The current suspension period terminates on September 14, 1974.

The Commission in its complaint alleged that the defendants have engaged in certain conduct in violation of the registration provisions of the Securities Act and have made false and misleading statements and have filed false and inaccurate documents with the Commission in violation of the Exchange Act. The gist of the complaint, as it relates to the anti-fraud counts, alleges that the defendants have made numerous false and misleading statements in a series of press releases and statements concerning a CJV's copper project located in the Republic of Panama and its prior linerboard project located in Newfoundland, Canada. The complaint also sought the appointment of a special receiver and other ancillary relief.

On July-17, 1974 final judgements of permanent injunction were entered against CJV and Doyle enjoining them from violations of the anti-fraud and reporting provisions of the federal securities laws and enjoining them from violations of the registration provisions of the Securities Act of 1933.



In addition, the Court ordered a stipulation to be entered against Wismer, ordering him not to violate the anti-fraud and reporting provisions of the federal securities laws and from violating the registration provisions of the Securities Act of 1933.

In addition, the judgements entered by the court provide, among other things, that: that the board of directors of CJV shall consist of at least 40% outside independent directors who shall meet certain criteria satisfactory to the Commission, that CJV shall establish a standing compliance committee, a majority of which shall consist of the independent outside directors. The standing committee shall pass on all information disseminated to the public. CJV shall further designate a public information officer who shall be responsible for the dissemination of all information for CJV, that CJV name a special outside counsel satisfactory to the Commission, that CJV file within 60 days, or at such a later time as the Commission may permit all necessary reports and all amendments and supplements to such reports on file as may be required.

As of this date there has been no correction of the false filings or correction of misleading statements made as alleged in the Commission's complaint and thus the filings of CJV still remain incomplete and contain inaccurate information. However, CJV met with the staff on August 23, 1974 and provided the staff with financial statements which are presently being reviewed.

As the Commission may recall, Javelin has failed to file its Form 10-K for the fiscal year ending December 1, 1973. On April 1, 1974, Javelin filed parts of the information required by Form 10-K but without certified financial statements. Counsel for Javelin has informally advised the staff that in light of the Commission's lawsuit and Mr. Doyle's arrest in Canada for allegedly defrauding Javelin, that Javelin's independent accountants have discovered certain unexplained items relating to the Panamanian project. Counsel has advised that it appears that the auditors are questioning the 6.5 million dollars allegedly expended by Javelin to construct a road in Panama. The principal contractor for the road project was a Bahamian corporation believed to be affiliated with John C. Doyle. As of this time it appears that perhaps the road cost somewhat less than \$6.5 million and that a substantial sum of money was diverted to others.

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9-17-74

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E00-1 R/A

UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION  
SEP 13 1974

SECURITIES & EXCHANGE COMM  
MAILED FOR SERVICE

SEP 17 1974  
110665

CTFD. NO. \_\_\_\_\_

310667  
310668  
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310670

In the Matter of Trading in Securities :

of  
CANADIAN JAVELIN, LTD. :

File No. 500-1 :

Securities Exchange Act of 1934  
Section 19(a)(4) and 15(c)(5) :

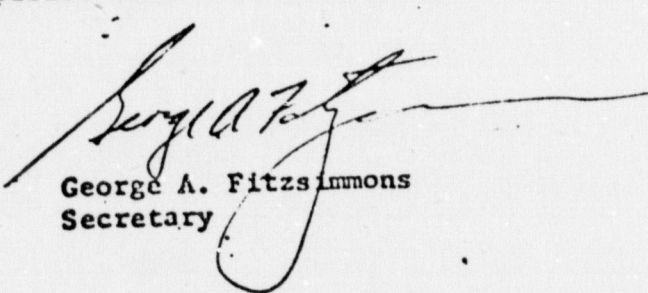
NOTICE OF  
SUSPENSION  
OF TRADING

The common stock of Canadian Javelin, Ltd.  
being traded on the American Stock Exchange  
pursuant to provisions of the Securities Exchange Act of 1934 and  
all other securities of Canadian Javelin, Ltd.  
being traded otherwise than on a national securities exchange; and

It appearing to the Securities and Exchange Commission  
that the summary suspension of trading in such securities on such  
exchange and otherwise than on a national securities exchange is  
required in the public interest and for the protection of investors;

THEREFORE, pursuant to Sections 19(a)(4) and 15(c)(5) of the  
Securities Exchange Act of 1934, trading in such securities on the  
above mentioned exchange and otherwise than on a national securities  
exchange is suspended, for the period from September 15, 1974 through  
September 24, 1974.

By the Commission.

  
George A. Fitzsimmons  
Secretary



*For Note Tues.  
9/24*

MEMORANDUM

FILE NO.: 1-4192-3

DATE: September 20, 1974

TO : The Commission

FROM : Division of Enforcement

RE : Canadian Javelin, Ltd. *PCN*

DATE FILED :

AMENDED :

SUBJECT : Trading Suspension

RECOMMENDATION:

The Commission initially suspended trading in the securities of Canadian Javelin, Ltd. ("CJV"), listed on the American Stock Exchange, on November 29, 1973, the day a civil injunctive action was filed in the Southern District of New York against CJV, John C. Doyle ("Doyle") and William Wismer ("Wismer"). The current suspension period terminates on September 24, 1974.

The Commission in its complaint alleged that the defendants have engaged in certain conduct in violation of the registration provisions of the Securities Act and have made false and misleading statements and have filed false and inaccurate documents with the Commission in violation of the Exchange Act. The gist of the complaint, as it relates to the anti-fraud issues, alleges that the defendants have made numerous false and misleading statements in a series of press releases and statements concerning a CJV's copper project located in the Republic of Panama and its prior limeboard project located in Newfoundland, Canada. The complaint also sought the appointment of a special receiver and other ancillary relief.

On July 17, 1974 final judgments of permanent injunction were entered against CJV and Doyle enjoining them from violations of the anti-fraud and reporting provisions of the federal securities laws and enjoining them from violations of the registration provisions of the Securities Act of 1933.

In addition, the Court ordered a stipulation to be entered against Wisaer, ordering him not to violate the anti-fraud and reporting provisions of the federal securities laws and from violating the registration provisions of the Securities Act of 1933.

In addition, the judgments entered by the court provide, among other things, that: that the board of directors of CJV shall consist of at least 40% outside independent directors who shall meet certain criteria satisfactory to the Commission, that CJV shall establish a standing compliance committee, a majority of which shall consist of the independent outside directors. The standing committee shall pass on all information disseminated to the public. CJV shall further designate a public information officer who shall be responsible for the dissemination of all information for CJV, that CJV name a special outside counsel satisfactory to the Commission, that CJV file within 60 days, or at such a later time as the Commission may permit all necessary reports and all amendments and supplements to such reports on file as may be required.

As of this date there has been no correction of the false filings or correction of misleading statements made as alleged in the Commission's complaint and thus the filings of CJV still remain incomplete and contain inaccurate information. However, CJV met with the staff on August 23, 1974 and provided the staff with financial statements which are presently being reviewed.

As the Commission may recall, Javelin has failed to file its Form 10-K for the fiscal year ending December 1, 1973. On April 1, 1974, Javelin filed parts of the information required by Form 10-K but without certified financial statements. Counsel for Javelin has informally advised the staff that in light of the Commission's lawsuit and Mr. Doyle's arrest in Canada for allegedly defrauding Javelin, that Javelin's independent accountants have discovered certain unexplained items relating to the Panamanian project. Counsel has advised that it appears that the auditors are questioning the \$6.5 million dollars allegedly expended by Javelin to construct a road in Panama. The principal contractor for the road project was a Bahamian corporation believed to be affiliated with John C. Doyle. As of this time it appears that perhaps the road cost somewhat less than \$6.5 million and that a substantial sum of money was diverted to others.



ORIGINAL REGISTER  
COPIES DELIVERED

9-26-74

UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION

SEP 24 1974

500-1  
R/A  
SECURITIES & EXCHANGE COMM  
MAILED FOR SERVICE

SEP 26 1974

CIFD. NO. 10700  
210732  
210733  
210734

In the Matter of Trading in Securities :

of  
CANADIAN JAVELIN, LTD. :

File No. 500-1 :

NOTICE OF  
SUSPENSION  
OF TRADING

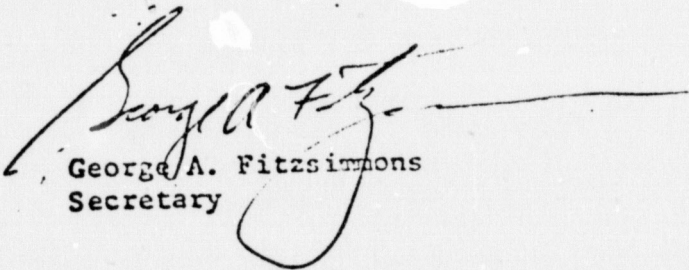
Securities Exchange Act of 1934  
Section 19(a)(4) and 15(c)(5) :

The common stock of Canadian Javelin, Ltd.  
being traded on the American Stock Exchange  
pursuant to provisions of the Securities Exchange Act of 1934 and  
all other securities of Canadian Javelin, Ltd.  
being traded otherwise than on a national securities exchange; and

It appearing to the Securities and Exchange Commission  
that the summary suspension of trading in such securities on such  
exchange and otherwise than on a national securities exchange is  
required in the public interest and for the protection of investors;

THEREFORE, pursuant to Sections 19(a)(4) and 15(c)(5) of the  
Securities Exchange Act of 1934, trading in such securities on the  
above mentioned exchange and otherwise than on a national securities  
exchange is suspended, for the period from September 20, 1974, through  
October 4, 1974.

By the Commission.

  
George A. Fitzsimmons  
Secretary

Circ. 9/  
for Wed. 10

## MEMORANDUM

FILE NO.: 1-4192-3

DATE: September 30, 1974

TO : The Commission

FROM : Division of Enforcement

RE : Canadian Javelin, Ltd. *Rm*

DATE FILED :

AMENDED :

SUBJECT : Trading Suspension

### RECOMMENDATION:

The Commission initially suspended trading in the securities of Canadian Javelin Ltd. ("CJV"), listed on the American Stock Exchange, on November 29, 1973, the day a civil injunctive action was filed in the Southern District of New York against CJV, John C. Doyle ("Doyle") and William Wismer ("Wismer"). The current suspension period terminates on October 4, 1974.

The Commission in its complaint alleged that the defendants have engaged in certain conduct in violation of the registration provisions of the Securities Act and have made false and misleading statements and have filed false and inaccurate documents with the Commission in violation of the Exchange Act. The gist of the complaint, as it relates to the anti-fraud counts, alleges that the defendants have made numerous false and misleading statements in a series of press releases and statements concerning a CJV's copper project located in the Republic of Panama and its prior linerboard project located in Newfoundland, Canada. The complaint also sought the appointment of a special receiver and other ancillary relief.

On July 17, 1974 final judgements of permanent injunction were entered against CJV and Doyle enjoining them from violations of the anti-fraud and reporting provisions of the federal securities laws and enjoining them from violations of the registration provisions of the Securities Act of 1933.



In addition, the Court ordered a stipulation to be entered against Wismer, ordering him not to violate the anti-fraud and reporting provisions of the federal securities laws and from violating the registration provisions of the Securities Act of 1933.

In addition, the judgements entered by the court provide, among other things, that: that the board of directors of CJV shall consist of at least 40% outside independent directors who shall meet certain criteria satisfactory to the Commission, that CJV shall establish a standing compliance committee, a majority of which shall consist of the independent outside directors. The standing committee shall pass on all information disseminated to the public. CJV shall further designate a public information officer who shall be responsible for the dissemination of all information for CJV, that CJV name a special outside counsel satisfactory to the Commission, that CJV file within 60 days, or at such a later time as the Commission may permit all necessary reports and all amendments and supplements to such reports on file as may be required.

As of this date there has been no correction of the false filings or correction of misleading statements made as alleged in the Commission's complaint and thus the filings of CJV still remain incomplete and contain inaccurate information. However, CJV met with the staff on August 23, 1974 and provided the staff with financial statements which are presently being reviewed.

As the Commission may recall, Javelin has failed to file its Form 10-K for the fiscal year ending December 1, 1973. On April 1, 1974, Javelin filed parts of the information required by Form 10-K but without certified financial statements. Counsel for Javelin has informally advised the staff that in light of the Commission's lawsuit and Mr. Doyle's arrest in Canada for allegedly defrauding Javelin, that Javelin's independent accountants have discovered certain unexplained items relating to the Panamanian project. Counsel has advised that it appears that the auditors are questioning the 6.5 million dollars allegedly expended by Javelin to construct a road in Panama. The principal contractor for the road project was a Bahamian corporation believed to be affiliated with John C. Doyle. As of this time it appears that perhaps the road cost somewhat less than \$6.5 million and that a substantial sum of money was diverted to others.

UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION

OCT 4 1974

In the Matter of Trading in Securities

of  
CANADIAN JAVELIN, LTD.

File No. 500-1

Securities Exchange Act of 1934  
Section 19(a)(4) and 15(c)(5)

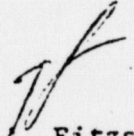
NOTICE OF  
SUSPENSION  
OF TRADING

The common stock of Canadian Javelin, Ltd.  
being traded on the American Stock Exchange  
pursuant to provisions of the Securities Exchange Act of 1934 and  
all other securities of Canadian Javelin, Ltd.  
being traded otherwise than on a national securities exchange; and

It appearing to the Securities and Exchange Commission  
that the summary suspension of trading in such securities on such  
exchange and otherwise than on a national securities exchange is  
required in the public interest and for the protection of investors;

THEREFORE, pursuant to Sections 19(a)(4) and 15(c)(5) of the  
Securities Exchange Act of 1934, trading in such securities on the  
above mentioned exchange and otherwise than on a national securities  
exchange is suspended, for the period from October 5, 1974 through  
October 14, 1974.

By the Commission.

  
George A. Fitzsimmons  
Secretary



File 10/8  
for Thurs. 10/10

## MEMORANDUM

FILE NO.: 1-4192-3

DATE: October 8, 1974

TO : The Commission

FROM : Division of Enforcement

RE : Canadian Javelin, Ltd. *RM*

DATE FILED :

AMENDED :

SUBJECT : Trading Suspension

### RECOMMENDATION:

The Commission initially suspended trading in the securities of Canadian Javelin, Ltd. ("CJV"), listed on the American Stock Exchange, on November 21, 1973, the day a civil injunctive action was filed in the Southern District of New York against CJV, John C. Doyle ("Doyle") and William Visner ("Visner"). The current suspension period terminates on October 14, 1974.

The Commission in its complaint alleged that the defendants have engaged in certain conduct in violation of the registration provisions of the Securities Act and have made false and misleading statements and have filed false and inaccurate documents with the Commission in violation of the Exchange Act. The gist of the complaint, as it relates to the anti-fraud counts, alleges that the defendants have made numerous false and misleading statements in a series of press releases and statements concerning a CJV's copper project located in the Republic of Panama and its prior linerboard project located in Newfoundland, Canada. The complaint also sought the appointment of a special receiver and other ancillary relief.

On July 17, 1974 final judgements of permanent injunction were entered against CJV and Doyle enjoining them from violations of the anti-fraud and reporting provisions of the federal securities laws and enjoining them from violations of the registration provisions of the Securities Act of 1933.

In addition, the Court ordered a stipulation to be entered against Wismer, ordering him not to violate the anti-fraud and reporting provisions of the federal securities laws and from violating the registration provisions of the Securities Act of 1933.

In addition, the judgements entered by the court provide, among other things, that: that the board of directors of CJV shall consist of at least 40% outside independent directors who shall meet certain criteria satisfactory to the Commission, that CJV shall establish a standing compliance committee, a majority of which shall consist of the independent outside directors. The standing committee shall pass on all information disseminated to the public. CJV shall further designate a public information officer who shall be responsible for the dissemination of all information for CJV, that CJV name a special outside counsel satisfactory to the Commission, that CJV file within 60 days, or at such a later time as the Commission may permit all necessary reports and all amendments and supplements to such reports on file as may be required.

As of this date there has been no correction of the false filings or correction of misleading statements made as alleged in the Commission's complaint and thus the filings of CJV still remain incomplete and contain inaccurate information. However, CJV met with the staff on August 23, 1974 and provided the staff with financial statements which are presently being reviewed.

As the Commission may recall, Javelin has failed to file its Form 10-K for the fiscal year ending December 1, 1973. On April 1, 1974, Javelin filed parts of the information required by Form 10-K but without certified financial statements. Counsel for Javelin has informally advised the staff that in light of the Commission's lawsuit and Mr. Doyle's arrest in Canada for allegedly defrauding Javelin, that Javelin's independent accountants have discovered certain unexplained items relating to the Panamanian project. Counsel has advised that it appears that the auditors are questioning the 6.5 million dollars allegedly expended by Javelin to construct a road in Panama. The principal contractor for the road project was a Bahamian corporation believed to be affiliated with John C. Doyle. As of this time it appears that perhaps the road cost somewhat less than 6.5 million and that a substantial sum of money was diverted to others.



UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION

OCT 11 1974

In the Matter of Trading in Securities

of  
CANADIAN JAVELIN, LTD.

File No. 500-1

NOTICE OF  
SUSPENSION  
OF TRADING

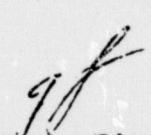
Securities Exchange Act of 1934  
Section 19(a)(4) and 15(c)(5)

The common stock of Canadian Javelin, Ltd.  
being traded on the American Stock Exchange  
pursuant to provisions of the Securities Exchange Act of 1934 and  
all other securities of Canadian Javelin, Ltd.  
being traded otherwise than on a national securities exchange; and

It appearing to the Securities and Exchange Commission  
that the summary suspension of trading in such securities on such  
exchange and otherwise than on a national securities exchange is  
required in the public interest and for the protection of investors;

THEREFORE, pursuant to Sections 19(a)(4) and 15(c)(5) of the  
Securities Exchange Act of 1934, trading in such securities on the  
above mentioned exchange and otherwise than on a national securities  
exchange is suspended, for the period from October 15, 1974 through  
October 24, 1974.

By the Commission.

  
George A. Fitzsimmons  
Secretary

Circ. 10/21  
for Tues, 10/22

MEMORANDUM

FILE NO.: 1-4192-3

DATE: October 18, 1974

TO : The Commission

FROM : Division of Enforcement *Pen*

RE : Canadian Javelin, Ltd.

DATE FILED :

AMENDED :

SUBJECT : Trading Suspension

RECOMMENDATION:

The Commission initially suspended trading in the securities of Canadian Javelin, Ltd. ("CJV"), listed on the American Stock Exchange, on November 29, 1973, the day a civil injunctive action was filed in the Southern District of New York against CJV, John C. Boyle ("Boyle") and William Wisner ("Wisner"). The current suspension period terminates on October 24, 1974.

The Commission in its complaint alleged that the defendants have engaged in certain conduct in violation of the registration provisions of the Securities Act and have made false and misleading statements and have filed false and inaccurate documents with the Commission in violation of the Exchange Act. The gist of the complaint, as it relates to the anti-fraud counts, alleges that the defendants have made numerous false and misleading statements in a series of press releases and statements concerning a CJV's copper project located in the Republic of Panama and its prior linerboard project located in Newfoundland, Canada. The complaints also sought the appointment of a special receiver and other ancillary relief.

On July 17, 1974 final judgements of permanent injunction were entered against CJV and Boyle enjoining them from violations of the anti-fraud and reporting provisions of the federal securities laws and enjoining them from violations of the registration provisions of the Securities Act of 1933.



In addition, the Court ordered a stipulation to be entered against Wisner, ordering him not to violate the anti-fraud and reporting provisions of the federal securities laws and from violating the registration provisions of the Securities Act of 1933.

In addition, the judgements entered by the court provide, among other things, that the board of directors of CJV shall consist of at least 40% outside independent directors who shall meet certain criteria satisfactory to the Commission and that CJV shall establish a standing compliance committee, a majority of which shall consist of the independent outside directors. The standing committee shall pass on all information disseminated to the public. Also, CJV shall further designate a public information officer who shall be responsible for the dissemination of all information for CJV, and CJV shall name a special outside counsel satisfactory to the Commission and file within 60 days, or at such a later time as the Commission may permit all necessary reports and all amendments and supplements to such reports on file as may be required.

As the Commission may recall, Javelin has failed to file its Form 10-K for the fiscal year ending December 1, 1973. On April 1, 1974, Javelin filed parts of the information required by Form 10-K but without certified financial statements. Counsel for Javelin has informally advised the staff that in light of the Commission's lawsuit and Mr. Loyle's arrest in Canada for allegedly defrauding Javelin, that Javelin's independent accountants have discovered certain unexplained items relating to the Panamanian project. Counsel has advised that it appears that the auditors are questioning the 6.5 million dollars allegedly expended by Javelin to construct a road in Panama. The principal contractor for the road project was a Bahamian corporation believed to be affiliated with John C. Loyle. As of this time it appears that perhaps the road cost somewhat less than \$6.5 million and that a substantial sum of money was diverted to others.

As of this date there has been no correction of the false filings or correction of misleading statements made as alleged in the Commission's complaint and thus the filings of CJV still remain incomplete and contain inaccurate information. However, CJV met with the staff on August 23, 1974 and provided the staff with fiscal 1973 financial statements which are presently being reviewed in conjunction with CJV's financials for the six months ended June 30, 1974.

In addition, the staff has requested that CJV place an additional outside director on its present Board of Directors.

FEDERAL REGISTER  
COPIES DELIVERED

10/29/74

UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION  
OCT 24 1974

500-1 R/A  
SECURITIES & EXCHANGE COMM.  
MAILED FOR SERVICE

OCT 30 1974

CTFD. NO. 810164

810165

10185

In the Matter of Trading in Securities :

of  
CANADIAN JAVELIN, LTD. :

File No. 500-1 :

Securities Exchange Act of 1934  
Section 19(a)(4) and 15(c)(5) :

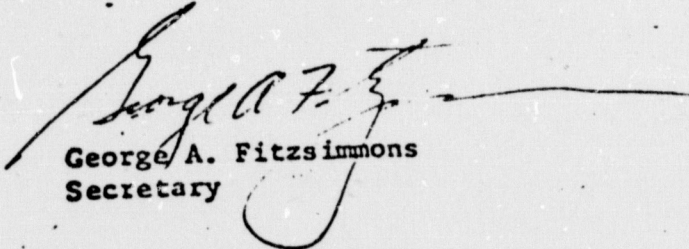
NOTICE OF  
SUSPENSION  
OF TRADING

The common stock of Canadian Javelin, Ltd.  
being traded on the American Stock Exchange  
pursuant to provisions of the Securities Exchange Act of 1934 and  
all other securities of Canadian Javelin, Ltd.  
being traded otherwise than on a national securities exchange; and

It appearing to the Securities and Exchange Commission  
that the summary suspension of trading in such securities on such  
exchange and otherwise than on a national securities exchange is  
required in the public interest and for the protection of investors;

THEREFORE, pursuant to Sections 19(a)(4) and 15(c)(5) of the  
Securities Exchange Act of 1934, trading in such securities on the  
above mentioned exchange and otherwise than on a national securities  
exchange is suspended, for the period from October 25, 1974 through  
November 3, 1974.

By the Commission.

  
George A. Fitzsimmons  
Secretary



Enc. 10/29  
11 Nov. 10/21

MEMORANDUM

FILE NO.: 1-4192-3

DATE: October 29, 1974

TO : The Commission

FROM : Division of Enforcement

RE : Canadian Javelin, Ltd.

DATE FILED :

AMENDED :

SUBJECT : Trading Suspension

RECOMMENDATION

The Commission initially suspended trading in the securities of Canadian Javelin, Ltd. ("CJV"), listed on the American Stock Exchange, on November 29, 1973, the day a civil injunctive action was filed in the Southern District of New York against CJV, John C. Loyle ("Loyle") and William Wisner ("Wisner"). The current suspension period terminates on November 3, 1974.

The Commission in its complaint alleged that the defendants have engaged in certain conduct in violation of the registration provisions of the Securities Act and have made false and misleading statements and have filed false and inaccurate documents with the Commission in violation of the Exchange Act. The gist of the complaint, as it relates to the anti-fraud counts, alleges that the defendants have made numerous false and misleading statements in a series of press releases and statements concerning a CJV's copper project located in the Republic of Panama and its prior linerboard project located in Newfoundland, Canada. The complaints also sought the appointment of a special receiver and other ancillary relief.

On July 17, 1974 final judgements of permanent injunction were entered against CJV and Loyle enjoining them from violations of the anti-fraud and reporting provisions of the federal securities laws and enjoining them from violations of the registration provisions of the Securities Act of 1933.

In addition, the Court ordered a stipulation to be entered against Wismer, ordering him not to violate the anti-fraud and reporting provisions of the federal securities laws and from violating the registration provisions of the Securities Act of 1933.

In addition, the judgments entered by the court provide, among other things, that the board of directors of CJV shall consist of at least 40% outside independent directors who shall meet certain criteria satisfactory to the Commission and that CJV shall establish a standing compliance committee, a majority of which shall consist of the independent outside directors. The standing committee shall pass on all information disseminated to the public. Also, CJV shall further designate a public information officer who shall be responsible for the dissemination of all information for CJV, and CJV shall name a special outside counsel satisfactory to the Commission and file within 60 days, or at such a later time as the Commission may permit all necessary reports and all amendments and supplements to such reports on file as may be required.

As the Commission may recall, Javelin has failed to file its Form 10-K for the fiscal year ending December 1, 1973. On April 1, 1974, Javelin filed parts of the information required by Form 10-K but without certified financial statements. Counsel for Javelin has informally advised the staff that in light of the Commission's lawsuit and Mr. Boyle's arrest in Canada for allegedly defrauding Javelin, that Javelin's independent accountants have discovered certain unexplained items relating to the Panamanian project. Counsel has advised that it appears that the auditors are questioning the 6.5 million dollars allegedly expended by Javelin to construct a road in Panama. The principal contractor for the road project was a Bahamian corporation believed to be affiliated with John C. Boyle. As of this time it appears that perhaps the road cost somewhat less than \$6.5 million and that a substantial sum of money was diverted to others.

As of this date there has been no correction of the false filings or correction of misleading statements made as alleged in the Commission's complaint and thus the filings of CJV still remain incomplete and contain inaccurate information. However, CJV met with the staff on August 23, 1974 and provided the staff with fiscal 1973 financial statements which are presently being reviewed in conjunction with CJV's financials for the six months ended June 30, 1974.

In addition, the staff has requested that CJV place an additional outside director on its present Board of Directors.



11-4-74

500-1 R/A  
SECURITIES & EXCHANGE COMMISSION  
MAILED FOR SERVICE

NOV 4 1974

10231

CTFD. NO.

UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION  
NOV 1 1974

In the Matter of Trading in Securities

of  
CANADIAN JAVELIN, LTD.

File No. 500-1

NOTICE OF  
SUSPENSION  
OF TRADING

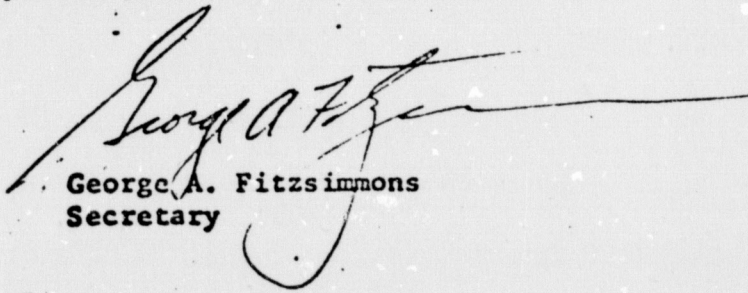
Securities Exchange Act of 1934  
Section 19(a)(4) and 15(c)(5)

The common stock of Canadian Javelin, Ltd.  
being traded on the American Stock Exchange  
pursuant to provisions of the Securities Exchange Act of 1934 and  
all other securities of Canadian Javelin, Ltd.  
being traded otherwise than on a national securities exchange; and

It appearing to the Securities and Exchange Commission  
that the summary suspension of trading in such securities on such  
exchange and otherwise than on a national securities exchange is  
required in the public interest and for the protection of investors;

THEREFORE, pursuant to Sections 19(a)(4) and 15(c)(5) of the  
Securities Exchange Act of 1934, trading in such securities on the  
above mentioned exchange and otherwise than on a national securities  
exchange is suspended, for the period from November 4, 1974 through  
November 13, 1974.

By the Commission.

  
George A. Fitzsimmons  
Secretary

*Shan V. Sec 74-2457*

STATE OF NEW YORK )

: SS:

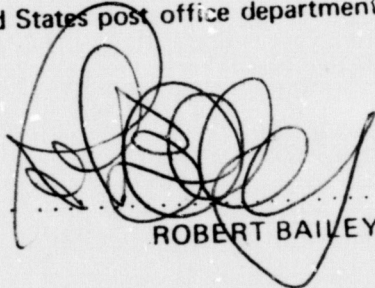
COUNTY OF RICHMOND )

ROBERT BAILEY, being duly sworn, deposes and says, that deponent is not a party to the action, is over 18 years of age and resides at 286 Richmond Avenue, Staten Island, N.Y. 10302. That on the 4 day of June, 1974 deponent served the within appended upon Thomas L. Taylor, III  
Diamond + Golomb

attorney(s) for Appellee

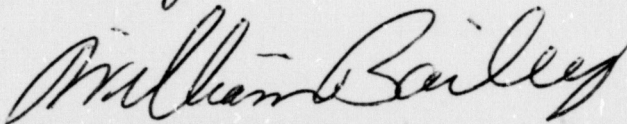
in this action, at 500 M. Capitol St. 99 Park Ave.  
Washington, DC. 20549 NYC

the address designated by said attorney(s) for that purpose by depositing 3 true copies of same enclosed in a postpaid properly addressed wrapper, in an official depository under the exclusive care and custody of the United States post office department within the State of New York.

  
ROBERT BAILEY

Sworn to before me, this

4 day of June, 1975



WILLIAM BAILEY

Notary Public, State of New York

No. 43-0132945

Qualified in Richmond County

Commission Expires March 30, 1976